

STATE OF WASHINGTON**OFFICE OF
INSURANCE COMMISSIONER****BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON**

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In the Matter of)	
)	NO D 99 - 44
PHYSICIANS MUTUAL INSURANCE)	
COMPANY,)	ORDER TO CEASE AND DESIST
)	
An Authorized Insurer.)	
)	

TO: Physicians Mutual Insurance Company
2600 Dodge Street
Omaha, Nebraska 68131

Pursuant to RCW 48.020.080, PHYSICIANS MUTUAL INSURANCE COMPANY, is hereby ORDERED to cease and desist the practice of rebating in the sales of insurance as provided in RCW 48.30.140.

THIS ORDER IS BASED ON THE FOLLOWING GROUNDS:

- 1) Earlier in 1999 Physicians Mutual Insurance Company mailed solicitation material to Citibank customers and Citibank AAdvantage cardholders. The material provides the recipient the opportunity to purchase an Immediate Protection Hospital Policy at a 5% discount when monthly premiums are billed to the Citibank AAdvantage credit card. In addition the material states "your first month's premium is paid, compliments of Citibank AAdvantage."
- 2) The rates and forms for this coverage were originally filed and approved by the Office of Insurance Commissioner in June 1983. In 1985 a rate revision was filed and approved which affected 3,739 policy holders.
- 3) This current rate reduction has not been filed or approved by the Office of Insurance

Commissioner constituting a rebate pursuant to RCW 48.30.140(1).

4) The transaction of insurance in a manner in violation of the insurance code is hazardous to insureds and to the people of this state. Such conduct demonstrates the need for immediate action and justifies the entry of this order.

Subject to a demand for hearing pursuant to RCW 48.04.010 and chapter 34.05 RCW, this Order shall remain in effect pending the further Order of the Commissioner.

THIS ORDER IS EFFECTIVE IMMEDIATELY AND IS ENTERED this 22nd day of April, 1999.

DEBORAH SENN
Insurance Commissioner

By

MARY M. COTTER
Enforcement Attorney